



GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

ANIMAL HUSBANDRY DEPARTMENT – LANDS - Allotment of land to an extent of Ac.3.14 in Survey No.13, Saroornagar of Hyderabad District in favour of M/s Agro Corpex India Limited, Hyderabad on lease for a period of 33 years for establishment of Common Facilities Center for egg washing, grading, packing and cold storage facilities – Cancellation of Lease Deed and resumption of land - – Orders – Issued.

ANIMAL HUSBANDRY, DAIRY DEVELOPMENT & FISHERIES (AH.III) DEPARTMENT

G.O. Ms. No. 112

dated:20th November, 2008.

Read the following:

1. G.O.Ms.No.71, Animal Husbandry, Dairy Development & Fisheries (AH.III) Department, dated 15th May, 2002.
2. Lease Agreement dated 25.2..2004 entered into between the Director of Animal Husbandry, Andhra Pradesh, Hyderabad and M/s. Agro Corpex India Limited, Hyderabad.
3. M.o.U. dated 15.5.2002 between APEDA, Government of Andhra Pradesh and Agro Corpex India Limited.
4. From the Director of Animal Husbandry, Letter No.9052/N1/200, dated 2.7.2004.
5. Government Letter No.3665/AH.III(1)-08-1, dated 1.8.2008 of Animal Husbandry, Dairy Development & Fisheries (AH.III) Department.
6. From the Chairperson, M/s. Agro Corpex India Limited, Hyderabad, Letter dated 13.8.2008.

<>0<>

ORDER:

On the basis of a Project Report prepared by A.P. Industrial & Technical Consultancy Organization Limited (APITCO), and after consulting the Director of Animal Husbandry, the Managing Director, A.P. Meat Development Corporation Limited, N.E.C.C., and A.P.E.D.A., Government of Andhra Pradesh decided to implement the Project for establishment of Common Facilities Center at Saroornagar for cleaning, grading, packing and sorting of eggs for export. The Director of Animal Husbandry and the Managing Director, APMDC have been directed to enter into an MOU with APEDA and Agro Corpex India Limited (a public limited Company promoted by National Egg Coordination Committee and entirely owned and managed by poultry farmers) for establishment of the Project. Accordingly, orders were issued in the reference first read above for implementing the Project with the terms and conditions indicated therein.

2. In the reference third read above, the Director of Animal Husbandry has entered into MOU with Agro Corpex India Limited and APEDA on 15.5.2002 on the following clauses, among other terms and conditions:

Clause No.(4) Agro Corpex has agreed to take up the entire responsibility of completing and implementing the said project as per the norms stipulated in the project report.

Clause No.(7): Agro Corpex has agreed to undertake the sole responsibility and liability of any financial risk that may be involved in implementing operating and repayment of finances with reference to the said project.

Clause No.(8): It has been agreed by all the parties in this MOU that Agro Corpex is the preferred and suitable party which has the strengths and capabilities to implement, operate and manage the day-to-day affairs of the said project.

Clause No.(13): After expiry of lease period or the project is abandoned/ceases to function, the land and structures shall vest with the State Government and whatever amount realized from the sale of machinery, scrap etc. shall remain with the Agro Corpex.

3. The Director of Animal Husbandry in his letter fourth read above has reported that after evacuating the unauthorized occupants in Survey No.13 of Saroornagar Mandal, an extent of 2,000 sq. yards of land is retained by the Animal Husbandry Department for the proposed Veterinary Dispensary, Saroornagar and the remaining 3.14 acres of land was handed over to M/s. Agro Corpex India Limited on 25.2.2004 on lease for establishing egg washing, grading, packing and cold storage facilities. Accordingly, the Director of Animal Husbandry in the

reference second read above has entered into Lease Agreement with Agro Corpex India Limited on 25.2.2004 with the following clauses among other conditions:

- Clause No.(4): Agro Corpex India Limited will set up Egg washing, grading, packing and cold storage facilities on the land, for promotion of export of eggs. This facility will be offered to all exporters of eggs;
- Clause No.(6): That the Lessee shall build a compound wall protecting the entire land from encroachments;
- Clause No.(8): After expiry of lease period or the project is abandoned/ceases to function, the land and structures shall vest with the Department of Animal Husbandry, Government of Andhra Pradesh and whatever amount released from the sale of machinery, scrap etc. shall remain with Agro Corpex India Limited.

4. It has come to the notice of the Government that M/s. Agro Corpex India Limited has not started the facilities of egg washing, grading, packing and cold storage as agreed upon in the MoU. Further the land which was allotted to them is not put to use for which it was allotted on lease basis. It is further noticed that the said land is also under threat of encroachment. In view of the above, in the reference fifth read above, a show cause notice has been issued to M/s. Agro Corpex India Limited as to why Government of A.P. should not cancel the orders issued in G.O.Ms.No.71, dated 15.5.2002, MoU dated 1.5.2002 and the Lease Agreement dated 25.2.2004 since M/s. Agro Corpex India Limited failed to establish the Center for egg washing, grading, packing and cold storage facilities as agreed to as well as failed to protect the land from encroachments.

5. In reply to the show cause notice, the Chairperson, M/s. Agro Corpex India Limited in the letter sixth read above has submitted the following explanation:

- a) The Project is meant for the benefit of thousands of poultry farmers and also in the larger national interest of enhancing the exports and augmenting foreign exchange earnings for the country – and not for earning profit for the Company;
- b) M/s. Agro Corpex India Limited have already invested more than the amount of margin money required to be provided (Rs.45 lakhs) under Memorandum of Understanding;
- c) M/s. Agro Corpex India Limited have also received a sum of Rs.21.87 lakhs from APEDA/APMED being one third of the expenses incurred by them for procuring the above mentioned equipment This amount is kept in fixed deposit and the same will be utilized for implementation of the Project;
- d) M/s. Agro Corpex India Limited is not able to undertake the construction/civil works required for the project as the lease agreement is yet to be registered in their favour, which is a pre-requisite for obtaining necessary permission for construction from the Municipal Corporation of Hyderabad;
- e) As the amount of stamp duty/registration charges is exorbitantly high for registration of the Lease Agreement, especially considering that the project is essentially farmer welfare oriented and not profit oriented, they have requested the Sub-Registrar, Saroornagar to let them know the exact amount of stamp duty and other charges, to take up the matter with the Department of Animal Husbandry to seek exemption from stamp duty and other charges from Government of A.P.
- f) As soon as the confirmation received from the Sub-Registrar, M/s. Agro Corpex India Limited propose to approach the Animal Husbandry Department with a request to seek exemption from stamp duty and other charges from the Government of A.P. and once the exemption is granted, they will proceed further to apply for necessary permission for construction from the Municipal authorities and for implementation of the project;
- g) The Lease Agreement has not yet been registered in their favour and they are not in a position to take action for eviction of the encroachments. In the absence of necessary permission from the Municipal authorities due to reasons mentioned, they are not in a position to erect a compound wall to prevent such encroachment.

6. In view of the facts mentioned above, the Chairperson of M/s. Agro Corpex India Limited has requested not to cancel the orders issued allotting the land on lease to them in G.O.Ms No.71, dated 15.5.2002, the Memorandum of Understanding and the Lease Agreement and resumption of land leased to them for establishment of the above referred infrastructure to facilitate export of eggs.

7. The explanation offered by M/s, Agro Corpex India Limited has been examined thoroughly. As per the conditions incorporated in the G.O. first read above, the Lease Agreement and MOU, Agro Corpex shall have to take up the entire responsibility of completion and implementation of the Project as per the norms stipulated in the Project report. It is also indicated therein that Agro Corpex has agreed to undertake the sole responsibility and liability of any financial risk that may be involved in implementing, operating and repayment of finances with reference to the said Project. It is also indicated in clause 13 of the MoU that after the expiry of lease period or the **Project is abandoned/ceases to function, the land and structures shall vest with the State Government.** Since no progress is reported in the implementation of the Project, Project is considered to have been abandoned and also ceased to function as indicated in clause 13 of the MOU and consequently the land, structures, if any, shall vest with the state Government. The Lease Agreement entered into between the Director of Animal Husbandry and the Chief Executive of Agro Corpex India Limited on 25.2.2004 also specifies that the Lessee was put in possession of the scheduled vacant land and under Clause 6 of the said Lease Agreement, the Lessee shall build a compound wall protecting the entire land from encroachments. Till now no compound wall was also built to protect the land. It is also indicated in clause 8 of the Lease Agreement that the land and structures shall vest with the Department of Animal Husbandry, Government of Andhra Pradesh after the expiry of lease period or the Project is abandoned/ceases to function.

8. In view of the above, the Government are of the opinion that M/s. Agro Corpex India Limited has failed to take action as per the orders issued in the G.O. first read above and violated the conditions of Lease Agreement as well as the MoU as indicated above and the explanation given by the Chairperson, M/s. Agro Corpex India Limited in the reference sixth read above is not convincing. Therefore, the Government hereby cancel the orders issued in the reference first read above.

9. The Director of Animal Husbandry is directed to resume the land of Ac.3.14 in Survey No.13 of Saroornagar Mandal, Hyderabad from M/s. Agro Corpex India Limited, Hyderabad immediately. He is also requested to take expeditious action to protect the said land along with other available land from possible encroachments and report compliance to Government, at once.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. PRIYADARSHI DASH,
Special Chief Secretary to Government.

To
The Director of Animal Husbandry, Hyderabad.
Copy to:
The Chairperson,
M/s. Agro Corpex India Limited,
3-5-823, II Floor, Hyderabad Business Center,
Hyderguda, Hyderabad-500 029.
The Spl. Secretary to Hon'ble Chief Minister.
The O.S.D. to Hon'ble M.(AH,DD&F)
The Joint Collector, Rangareddy District, Hyderabad.
The Chairman,
Agricultural and Processed Food Products
Export Development Authority (APEDA),
3rd Floor, NCUI Building, Opp: Asiad Village,
August Kranthi Marg,
NEW DELHI - 110 016

// FORWARDED :: BY ORDER //

SECTION OFFICER